X-pand into the Future

e u r e x *circular 058/02*

Date: Frankfurt, 10 July, 2002
Recipients: All Eurex members and vendors
Authorized by: Daniel Gisler

Intra-day Margin Call Procedure

Related Eurex Circulars: 013/02

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Content may be most important for:	**Attachments:** None
➲ Middle + Back Office ➲ Auditing / Security Coordination	

This circular provides further detail on the procedure surrounding intra-day margin calls described in Circular 013/02.

After an Intra-day margin call is identified by Eurex Clearing AG, the Clearing Member will be informed of the amount of margin required and the time within which the margin should be deposited. The person named in the “ClgContacts” field of the “Member General Information” window will be informed by telephone, and a fax confirmation will follow, such that the Clearing Member will receive the following information:

- The amount of margin to be deposited
- The margin requirements for each affected Non-Clearing Member
- The time period defined individually by Eurex Clearing AG – which in general will be one hour – within which the margin must be produced

The Clearing Member may reduce his risk within 30 minutes of receipt of notice of the margin call and thereby avoid the intra-day margin payment.

Otherwise, until the end of the designated period, after advising Eurex Clearing AG, the Clearing Member can transfer the required margin in cash in the appropriate clearing currency to the LZB or SNB account, or in securities to the pledged securities account at Clearstream Banking AG or SIS SegaInterSettle.

If, by the end of the period, the Clearing Member has transferred no margin, or an insufficient amount, the missing margin amount must be produced in the clearing currency. The procedure defined in section 1.3.4 of the Eurex Clearing Conditions will be applied, which means that Eurex Clearing AG will withdraw the amount via a direct debit on the member’s LZB current account or SIC settlement account respectively. The instructions submitted by Eurex Clearing AG will have the highest priority, i.e. “Clearingstufe 2” at LZB or Priority A5 at SNB or their SIC system.

The Clearing Member has the possibility to withdraw the intra-day margin deposited in cash from Eurex Clearing AG on the same day. The conditions under which this can occur are that risk positions are sustainably reduced, such that, for a continuous duration of at least one hour, the Clearing Member remains within the limits, or else deposits additional securities in the pledged securities account at Clearstream Banking AG or SegaInterSettle AG.

The instruction for a same-day credit must be received by Eurex Clearing AG before 14:45 CET. Repayment requests received after this deadline will be refunded at the discretion of Eurex Clearing AG. Otherwise, the repayment will be made automatically in the cash accounting of the next Exchange day.

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